LEGAL NOTICE

STATE OF LOUISIANA, OFFICE OF CONSERVATION, BATON ROUGE, LOUISIANA.

In accordance with the laws of the State of Louisiana, and with particular reference to the provisions of Title 30 of Louisiana Revised Statutes of 1950, a public hearing will be held in the Conservation Auditorium, 1st Floor, State Land & Natural Resources Building, 625 North 4th Street, Baton Rouge, Louisiana, at 9:00 a.m., on TUESDAY, MARCH 28, 2000, upon the application of KELLEY OIL & GAS CORPORATION.

At such hearing the Commissioner of Conservation will consider evidence relative to the issuance of an Order pertaining to the following matters relating to the **Tex W-2 Sand, Reservoir A**, in the Humphreys Field, Terrebonne Parish, Louisiana.

- 1. To establish rules and regulations governing the exploration for and the production of gas and condensate from the Tex W-2 Sand, Reservoir A.
- 2. To create a single drilling and production unit for the exploration for and production of gas and condensate from the Tex W-2 Sand, Reservoir A, such unit being designated TEX W-2 RA SUA.
- 3. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the proposed unit with each tract sharing in unit production on a surface acreage basis of participation.
- 4. To designate Kelley Oil Corporation as operator of, its Walker No. 1Well as the unit well for, the proposed unit.
- 5. To propose that all wells drilled in the future to the Tex W-2 Sand outside of the unit proposed herein be located in accordance with the provisions of Statewide Order No. 29-E.
- 6. To provide that any future replacement and/or alternate unit well for TEX W-2 RA SUA be exempt from the well location provisions of Statewide Order No. 29-E.
- 7. To provide that the Commissioner of Conservation may reclassify the reservoir by supplemental order and without the necessity of a public hearing should such a reclassification be warranted based on evidence furnished to the Commissioner.
- 8. To find that the Kelley Oil Corporation Walker No. 1 Well, qualifies as a new discovery oil and natural gas well as defined in LSA-R.S. 47:648.2, as amended.
- 9. To consider such other matters as may be pertinent.

The Tex W-2 Sand, Reservoir A, in the Humphreys Field, Terrebonne Parish, Louisiana, is defined as that gas and condensate bearing interval encountered between the measured depths of 10,446' and 10,508' (10,324' and 10,366' TVD) in the Kelley Oil Corporation - Walker No. 1 Well, having a bottom hole located in Section 42, Township 17 South, Range 16 East.

A plat is available for inspection in the Office of Conservation in **Baton Rouge** and **Lafayette**, Louisiana.

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HUMPHREYS FIELD 00-144

All parties having interest therein shall take notice thereof.

BY ORDER OF:

PHILIP N. ASPRODITES COMMISSIONER OF CONSERVATION

Baton Rouge, La 2/22/00;2/25/00 L dpe

IF ACCOMMODATIONS ARE REQUIRED UNDER AMERICANS WITH DISABILITIES ACT, PLEASE CONTACT <u>DEPARTMENT OF NATURAL RESOURCES</u>, <u>PERSONNEL SECTION</u> AT P.O. BOX 94396, BATON ROUGE, LA 70804-9396 IN WRITING OR BY TELEPHONE (225) 342-2134 BETWEEN THE HOURS OF 8:00 A.M. AND 4:30 P.M., MONDAY THRU FRIDAY WITHIN TEN (10) WORKING DAYS OF THE HEARING DATE.